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SIPDIS

STATE FOR EAP/TC, PM/DTCC AND ISN/MTR

PM/DTCC FOR BLUE LANTERN COORDINATOR RACHAEL-THERESE S. JOUBERT-LIN

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [TW](#)

SUBJECT: TAIWAN: RESULTS OF BLUE LANTERN BROKER CHECK NO. K-2411

REF: STATE 99477

¶1. (SBU) Summary: Per reftel request, AIT/T official and FN visited Tri-Force International, Inc., and interviewed Company President Terence Hou at address listed in reftel.

¶2. (SBU) Tri-Force was established in 1989, and now has eight employees. There are two vice presidents, Mr. John T.L. Chai and Mr. Tero Cheng. Mr. Chai retired from the Taiwan Air Force in 1995 and joined Tri-Force in 1998. He is in charge of the military spare-parts business for the company. Mr. Cheng takes care of business associated with the Chung Shang Institute of Science and Technology (CSIST).

¶3. (SBU) According to the Bureau of Foreign Trade (BOFT), Ministry of Economic Affairs (MOEA), Tri-Force is registered as a trading company. The company's registration information, including the company address and contact numbers, is identical to the reference stated in the paragraph 3 of the reftel.

¶4. (SBU) Regarding Tri-Force's handling of USML items, Mr. Hou stated that all incoming shipments are stored in Taiwan state-operated airport or seaport warehouses, where the box seals remain intact. When the company confirms a delivery date with the military end-user, Tri-Force arranges transportation from these warehouses to the end-user military base. On the date of delivery, staff from Tri-Force will clear these boxes through customs, and accompany the shipment directly to the military base without opening the boxes. Tri-Force representatives are also present when the customer breaks the seal and takes inventory of each shipment's contents.

¶5. (SBU) Mr. Hou stated that all USML items Tri-Force imports are for its customers in Taiwan, including the ROC Air Force, Army and Navy, CSIST and Industrial Technology Research Institute. Tri-Force executives are familiar with USML restrictions and receive annual training from its suppliers on the subject matter. Tri-Force also imports commercial parts for Air Asia, Aerospace Industries Development Corp., Evergreen Aviation Technology (EGAT), China Airlines and EVA Airways.

¶6. (SBU) Tri-Force serves as an agent for Lockheed Martin, Communication & Power Industries, Aero Systems Engineering, Pacific Consolidated Industries, Messier Service and General Electric Transportation.

¶7. (SBU) Post has no derogatory information in its files concerning Tri-Force International, Inc or Mr. Hou. Post learned through our Taiwan law enforcement sources, however, that Mr. Hou was charged with committing offences of "Forgery, Fraud and Breach of Trust" in 2007 but was not indicted.

¶8. Comment: Accusations of fraud, forgery, and other business-related crimes are very common in Taiwan, and because this broker was not indicted of any crimes, Post believes this information does not call into question the bona fides of the broker. End Comment.

STANTON